

ELECTION

A. Item 2 - Action

Pursuant to Bylaws of the Scottsdale Airport Advisory Commission, No. 104, should the Vice Chairman office be vacated, a new election shall be held at the next regular Commission meeting to elect a Vice-Chairman.

Mr. Scott Gray advised the Commission pertaining to the Bylaws, Section 104, that a new election was needed for the office of Vice Chairman, as the former Vice Chairman, David Vaughan, did not seek a reappoint to the Commission when his term ended on April 1st.

Chairman Maxwell asked if there were any nominations for Vice Chairman. Commissioner Guilfooy made a motion to nominate Commissioner Tinnan. Commissioner Mack seconded the motion to nominate Commissioner Tinnan. There were no further nominations. Commissioner Tinnan was elected Vice Chairman by a vote of 7-0.

AERONAUTICAL BUSINESS PERMIT(S)

A. Item 3 - Action

Ratification of Airport Aeronautical Business Permit for BBQ Smokehouse to provide off-airport in-flight catering service at Scottsdale Airport.

Mr. Matt Johnson advised the Commission that BBQ Smokehouse has provided the appropriate documentation as required in the Airport Minimum Operating Standards and, according to the owner, the six percent fee is anticipated to generate an additional \$1,000 in annual revenue to the Aviation Enterprise Fund.

Mr. Johnson inquired if a representative from BBQ Smokehouse was present at the meeting. A representative was not present and Mr. Johnson requested the item be tabled to next month's meeting.

Chairman Maxwell suggested the item be moved to the end of the agenda to allow additional time for a representative to arrive. The item was moved to the end of the meeting agenda. However, the applicant did not show, and the item was tabled to next month's meeting.

B. Item 4 - Information

Aeronautical Business Permit Cancellations or Revocations

Mr. Johnson stated he would be glad to answer any questions from the Commission regarding the current tenant list of Airport/Airpark Aeronautical Business Permittees. Chairman Maxwell noted there were two revocations highlighted on the list. Commissioner Vickers asked staff to identify those businesses on the list that operate Stage 2 aircraft. Mr. Gray responded he could not identify them based on that list, but he believes there are 12 Stage 2 aircraft based at Scottsdale Airport, but some of them may not be associated with an Aeronautical Business Permit. Commissioner Vickers asked that they be identified. Chairman Maxwell commented that Stage 2 aircraft are legal to be based at Scottsdale Airport.

GENERAL BUSINESS

A. Item 5 - Information

Katherine Hutton Raby, Economic Vitality Department

Pursuant to the Commission's request at last month's meeting to have someone from the City's Economic Vitality Department present to them, Mr. Gray introduced Ms. Katherine Hutton Raby to provide an update of what her group is doing. Mr. Gray added that Mr. Brent DeRaad, from the Scottsdale Convention and Visitors Bureau, would provide an update on the activities of that organization.

Ms. Hutton Raby briefed the Commission on her activities and the structural hierarchy of the economic development department and how they work closely with the Chamber of Commerce, and the Greater

Phoenix Economic Council (GPEX). Ms. Hutton Raby explained how the marketing expenses are pooled through GPEX and leads and referrals are handled. Ms. Hutton Raby noted that they don't have a marketing program specifically targeted for the Airpark, however it markets itself very effectively. She stated they have expended funds for a study on the Airpark by Bruen and Bruen which is posted on their website. Hard copies were provided to the Commission and Ms. Hutton Raby went over some of the information detailed in the study regarding employment and business stats. She added that the Airpark is a success story and that other communities use as an example.

Ms. Hutton Raby then went into detail about several new development projects in process, including the Stack 40 project and others in and around the Airpark and the north Scottsdale area. A brief question and answer period followed. Commissioner Guilfooy asked for a perspective on the benefits of the Airport and what people moving to Scottsdale talked about. Ms. Hutton Raby stated the Airport is critical to companies who own their own aircraft and locate here to have easy access to an airport for rapid transportation. However, she said it is a huge benefit for the business community overall, especially given the growth of the area, and the fact that Scottsdale is host to major events, such as Barrett Jackson, Arabian Horse Show, and the Phoenix Open.

Ms. Hutton Raby then provided a lengthy explanation of their efforts to assist area businesses with internet and various telecommunications issues in Scottsdale.

Ms. Hutton Raby then introduced Ms. Katherine Carlyle O'Connor who is in charge of the City's tourism division and manages all of the special event contracts and works closely with the Convention and Visitors Bureau.

Ms. Carlyle O'Connor provided the Commission with financial data on the City's revenue from the bed tax and revenue generated from tourism. She detailed what projects the funds are used for and important tourism is for the City. Ms. Carlyle O'Connor then introduced Mr. Brent DeRaad to cover the next agenda item.

B. Item 6 - Information
 Scottsdale Convention and Visitors Bureau Overview

Mr. DeRaad provided a handout to the Commission and advised them he would be happy to answer any questions they may have. Mr. DeRaad advised the Commission they are a non-profit organization and the bulk of their funding, approximately \$5 million of their \$6.5 budget, comes from the City of Scottsdale. He added their goal is to promote Scottsdale, whether for leisure travelers, meeting planners, tour operators or travel agents. Mr. DeRaad detailed their marketing efforts and associated expenses which included advertising and promotional efforts. He asked if there was anything his organization would be able to do to better maximize the Airport as a resource in attracting the leisure traveler as well as the corporate jet business.

Commissioner Vickers asked if the City loses hotel lodging as a result of the Phoenix Kierland and the JW Marriott and if they had any intention of doing any partnership marketing with the Airport so perhaps they will use our resorts instead of going over to Phoenix. Mr. DeRaad said if there was a way for them to access customer lists they would love to do outbound marketing to those customers.

Commissioner Guilfooy asked how critical is the use of this Airport to business and convention visitors. Mr. DeRaad responded they work with corporate groups and the Airport is sometimes discussed, but generally, unless it is a smaller private board meeting, they use Phoenix Sky Harbor Airport.

C. Item 7 - Action
 Recommend Resolution No. 6283 approving the proposed change to the Airport/Airpark Rates and Fees Schedule.

Mr. Gary Mascaro provided background regarding the Aviation Financial Plan adopted by the City Council last year. Mr. Mascaro advised that Commission that as part of this year's review, they are required to

review their rates and fees and bring any necessary fee changes forward to City Council. Mr. Mascaro noted a primary issue is that federal and state governments have shifted their priorities on the Capital Improvement Program towards security. Therefore, non-security projects such as runway, taxiway and apron improvements are lower in priority. Mr. Mascaro added they are looking toward the future and infrastructure and maintenance projects that will be necessary and that may have to be self funded. In addition, the economic downturn and possible lack of grant funding, they did a five-year outlook and best guess estimates of expenses for these projects. In order to remain self-sufficient with their capital and operating budget, Financial Services recommended they do a 90-day operating reserve, which is listed as a key consideration. Mr. Mascaro stated they also reviewed what their revenues were last year, compared to this year, and what they forecast for the following years. He added the transient landing fees which were adopted last year was one of the fees they reviewed and realized they are only going to receive one half the fees they originally anticipated. In order to resolve that issue, Financial Services and City staff have recommended to increase the landing fees from \$1.00 per 1,000 pounds maximum certificated take-off weight to \$2.00 per 1,000 pounds. The City Manager has approved the documents, which have been sent to the City Council and its Citizens Budget Review Committee.

Mr. Mascaro added all other fees have been reviewed but staff determined those fees should remain stable at this time. However, they do request an increase to the standard escort fee to \$42.27 per hour.

Vice Chairman Tinnan questioned if they go from \$1.00 to \$2.00 per 1,000 pounds for the transient landing fees, and if the traffic stays the same level, why is the forecast for 2003 and 2004 the same as the forecast for the current year. Mr. Mascaro responded that a placeholder number was wrapped into the overall base airport revenue and they anticipated according to the financial plan \$500,000 because they used to charge a fee that was called, "Transient Commercial Landing Fee" which was for commercial operators and this was changed to just a transient landing fee which includes all operators, not just business operators.

Vice Chairman Tinnan stated he doesn't understand that there isn't a doubling of the amount forecast for 2003 and for 2004. Mr. Mascaro responded if they adopt the new fee the additional fee is broken out and that is why it is \$240,000.

Vice Chairman Tinnan asked what is the Airport/Airpark Access Fee. Mr. Mascaro responded that the Access Device Fee is the fee for the device (a remote control gate opener) they provide to aircraft operators based in the Airpark to get their aircraft through the gate from the Airpark onto the Airport and it is basically a deposit fee. The access fee is a fee we charge them to base their aircraft in the Airpark and that is a monthly fee.

Chairman Maxwell interjected that he had 3 citizen voice cards.

Commissioner Vickers said he had some concerns regarding expenditures for 2003/2004. Chairman Maxwell responded that this item is strictly on the Rates and Fees Schedule. Commissioner Vickers inquired when would they be reviewing the operating costs along with the revenue. He doesn't see how they can review the revenue side without looking at the operating and capital side also.

Mr. Gray stated as directed by Financial Services, the items brought to the Commission include revenue changes and the Capital Improvement Program. Mr. Gray advised that line item details for operating budgets are reviewed by the Financial Services department and the City's Citizen Budget Review Committee. Therefore, we do not bring line operating expenditures through the Commission process, but we just indicate what is the budget. Commissioner Vickers asked if they were going to review the Capital Improvement Projects. Mr. Gray responded that they have already done that several meetings ago where they went through the various items, but he would be happy to answer any questions. He added the information is also provided in their packet.

Commissioner Vickers said they have spent a lot of time discussing tracking systems to identify aircraft altitudes, etc. and he questions the huge range of costs of these tracking systems and as he looks at the Capital Improvement Projects they do have... Chairman Maxwell interjected that Commissioner Vickers

question was outside the scope of this agenda item, and what he is bringing up is an item that should be an action item on the tracking system. Commissioner Vickers said he is trying to review the Capital Improvements expenditures as being brought forth and one of which he wanted to review was the amount of money included in this year's proposed budget.

Mr. Gray said he would address Commissioner Vickers' question. He said they only have \$60,000 in the Capital Improvement budget to acquire a flight tracking which may, in fact, cost us \$200,000 or \$300,000 and why haven't we budgeted more. Mr. Gray said the \$60,000 was to slave off of the Phoenix system. Mr. Gray advised they are awaiting direction from the City Council Aviation Subcommittee to either tell them to pursue the item through the RFP process and to the City Council. If the City Council chose to purchase the equipment, they would earmark the additional funds at that time.

Commissioner Vickers asked if there is anyway, if they are even contemplating spending more than \$60,000 to request the additional money now so the Council can address on June 1, rather than wait till 2004/2005 to put it in the budget. He added Craig Clifford told him they could do it without any difficulty. Mr. Gray responded they do not have any direction from City Council to acquire a flight tracking system and do not have the authority to do that yet and that is why they will be requesting it next Wednesday. If they get the okay to do that, then they will meet with Mr. Clifford. Mr. Gray added that the \$200,000 would offset some other projects.

Commissioner Guilfooy asked how the transient traffic, fuel flowage figures forecast figures are calculated. Mr. Gray responded that they guessed at what the traffic would be. However, since they've instituted the transient landing fee, and they are being billed, we now know what type of aircraft they have and the amount of traffic. They realized their first estimates were off, but now there is historical data to track and if we acquire a new flight tracking system it will be easier to track the information.

Chairman Maxwell mentioned it would be a good time at this point in the meeting to bring forward the citizen voice cards and two of them are from the FBO's.

Mr. Tommy Walker, General Manager, Scottsdale Air Center, stated he is fairly new to Scottsdale Airport but is concerned if they are running off business, rather than gaining business and he thinks the Commission should consider the effect it may have. Mr. Walker said it appears they are going after the transient business who are the operators who pay the bed tax. He said it would directly affect his business. He also felt the Airpark tenants are not being assessed for use of the Airport. He would like them to make it fair for everyone. Mr. Walker said he would like to see more information and would like to recommend the Commission take more time before making a decision on this item.

Mr. John Frevola, President, Corporate Jets, Inc. stated if the purpose of doubling the landing fees is to increase the revenue it could have precisely the opposite effect. He added that Scottsdale Airport is the only airport in the Valley now that has any type of landing fee and are one of the few airports across the country that is a general aviation airport that has a landing fee. Mr. Frevola stated at some point you are going to encourage people to take their business elsewhere. He added if the purpose of the landing fee is to raise more money to service the infrastructure and for maintenance and improvements of the Airport, all the users of the Airport should equally share in that. By targeting the transient market, it is not fair, and it should be shared equally by everyone. Mr. Frevola suggested forming a subcommittee of aircraft operators, users, and businesses to help the City come up with suggestions on raising whatever money is necessary and spreading it evenly over all of the Airport users, rather than the small minority of transient users that appear to have a lot of money.

Mr. Brian Ready, Giant Industries and President of the Arizona Business Aviation Association (AzBAA), stated he received word of this action only two days before the meeting. He is not a transient operator. Mr. Ready stated he sent an informal survey out and shared some of the comments with the group. All of them were from transient operators. He stated 25 percent might change their destination based on an increase in landing fees; 10 percent would change; but 50% disliked the way the billing process happens, and if that many people are upset, it's something that should be looked at. Mr. Ready read comments from some of the surveys.

Mr. Frevola said he was not aware this item was on the agenda till last Friday and would like more time to research the issue. He added there is no one else in the Valley and very few general aviation airports that have transient landing fees; there are a couple in New York, but we should not compare ourselves with that area. Mr. Frevola added that at \$2.00 per 1,000 pounds, we would be higher than Teeterboro and White Plains and we would have one of the highest landing fees in the country, which would be way out of line.

Mr. Gray responded to the comments by stating that they need to remember the Airport is an Enterprise Fund, and although they are part of the City, they do not get any other revenues from the City, including sales tax, bed tax, property tax, etc. which all go to the General Fund. Mr. Gray added that for many years the Airport was subsidized by the General Fund, however, the City Council made the decision last year that that was no longer acceptable.

Mr. Gray added that one of the issues brought up was to target all the users, for example to charge higher fuel flowage fees and the cost is distributed among all the users. He added when they went to through the regulatory rewrite process in the late 1990's all of the regulatory code, fee structure for the Airport and the Airpark was completely redone and it was nearly three year process to get to that point. One issue brought up in the process was the increase in fuel flowage fees which, at that time were five cents per gallon and over a three year period rose to seven cents, then eight cents last year, and the users at this Airport felt they were being significantly burdened by all the costs, and the transient users were not. They then had to analyze what to do with the transient users who occupy 40 percent or more of the usage of this facility and in general it was possible they could pay nothing, or if they were a commercial operator they paid \$1.00 per 1,000 pounds, and whatever fuel they purchased. Mr. Gray stated that last year when it was suggested to increase the fuel flowage from eight cents to nine cents, the based users were against it. Therefore, the other way to charge a specific user, in this case the transient operator using the facility 40 percent of the time, who may have been paying nothing, would be a charge per use, and that what was implemented. However, with no historical data, there revenue estimates were incorrect and they are here today with approximately 1600 users who have paid the landing fees, of which all of them received a letter three weeks ago indicating that we were looking at increasing the fee to \$2.00 and we heard from only one of the 1,600 people and they said it was great because they don't like to cut a check for \$12.50 and would rather cut one for \$25.00 because it costs \$20.00 to cut a check to begin with.

Mr. Gray added, they are in a situation where they have options. If they don't increase the transient landing fees, what fee do they increase, and why would that be fair to charge more of the users who are already paying fees, than those that aren't paying their fair share. Mr. Gray added he is certain some operators may choose other airports. He is not certain at what fee they will make that choice. Mr. Gray said what they are trying to do is balance the budget and at some point in time they have to decide what is the appropriate source of revenue, or what functions get cut, what facilities don't get built and what capital improvements don't get done. In addition if there are no federal or state funds, which are being diverted to other uses and programs, the Airport's capital improvements will be severely impacted.

Vice Chairman Tinnan said he noted on the forecast for 2002/2003 we now have a breakeven for this current year due in part to capital projects being reduced. Vice Chairman wished to know what projects were omitted or delayed. He also wished to point out that the forecast for 2003/2004 shows a surplus of \$295,048 which Commissioner Vickers stated if we have to increase the \$60,000 flight tracking budget to \$200,000, we have a surplus here to draw from without having to go back to the General Fund sources. Vice Chairman Tinnan said he thinks it is improper for any of those involved in the budget process to continue to forecast a loss or breakeven. He added forecasting a "modest profit" is the appropriate way to go to allow for contingencies.

Vice Chairman Tinnan inquired what was the deadline for staff or the Commission to submit its recommendation. Mr. Gray responded that the City Council will set their maximum spending limit on May 19th and their official adoption of the budget will be June 2nd.

Mr. Gray said he wished to respond to Vice Chairman Tinnan's inquiry as to what capital projects were moved. He added a number of projects were moved, for example, the flight tracking system and there was a lot of juggling of projects to ensure cash flow. Mr. Gray added they had a minus number due to the fact they did the \$600,000 security project when they only had \$200,000 or \$300,000 in the budget. Mr. Gray stated that Financial Services worked closely with Mr. Mascaro in analyzing what projects could be done and to figure out ways to set aside funds if something breaks.

Vice Chairman Tinnan inquired if transient parking fees could be increased \$1.00 a night, and reduce the landing fee, could they find a balance there as they are still transient aircraft but in a different sense. Mr. Gray responded that transient parking fees do not generate nearly the amount of money, and they collected a total of \$62,000. In addition, that fee is collected by the FBO's and they remit 75 percent to the City and keep 25 percent. Mr. Gray said they could decide to raise the fuel flowage fee to 11 or 12 cents a gallon, and that would be another way to get the money.

Commissioner Guilfooy expressed his concern regarding the forecasting process. He said although they are talking about changing a rate, he's not sure the inputs are right and cannot move forward on this issue tonight, but would like to propose that the item be moved to the next regular scheduled meeting, but in the interim the operators get together with staff and come up with forecasts, otherwise the Airport may continue to forecast a figure that is elusive and continue to go into the deficit.

Commissioner Guilfooy made a motion to table this item to the next regular scheduled meeting. Vice Chairman Tinnan seconded the meeting and it passed by a vote of 7-0.

Commissioner Vickers stated he would also like the opportunity to review operating expenses as he finds it very irresponsible to be looking at revenue items without looking at operating costs. He stated he has noticed this appears one of the few City budgets that he's seen that calls for a seven percent increase in staff wages when it's pretty much a general consensus that the City Council is not going to be raising payroll of staff people. Commissioner Vickers would like the proposed operating costs on the next meeting agenda.

Chairman Maxwell inquired if they table Item 7 to next month's meeting would they still have time to recommend it to the City for action on June 2nd. Mr. Gray responded the City Council will set their spending level on May 19th and acting on it at the Commission meeting of May 14th would not provide the appropriate time, as they are required to provide the information about three weeks prior. Mr. Gray said, however, they do have budget meetings that they will be adopting the operating budgets and spending limits, but at the 19th meeting they will also pass fee increases proposed for the year. He does not know if they will have an opportunity to go back after May 19th and adjust fees. Mr. Gray stated the wording also has to be specific as to what the proposed fee changes are. Chairman Maxwell suggested they could move their Commission meeting to a week earlier. Mr. Gray stated he can contact Craig Clifford in Financial Services and inquire if they have any flexibility, or they can hold a special Commission meeting if necessary.

Vice Chairman Tinnan made a motion to modify Commissioner Guilfooy's motion to postpone this decision in the next meeting with the proviso the next meeting will be a special meeting on a date to be determined by the Aviation Director. Commissioner Guilfooy agreed to the modification to his motion.

Chairman Maxwell stated the amended motion has been made and seconded by Commissioner Madanick to table this item to the next meeting, which may be a special meeting called at the pleasure of the Chairman after notification by the Aviation Director.

Commissioner Guilfooy stated City staff should work with the operators to identify what the forecast traffic flows are, whether based or transient, and by category of aircraft. Chairman Maxwell agreed that Mr. Frevola and Mr. Walker should meet with staff regarding this issue.

- D. Item 8 - Information
 Local Area Augmentation System (LAAS) Overview

Mr. Kevin Shirer advised the Commission that included in their packet is an update/overview of the Local Area Augmentation System. This is part of their ongoing effort to provide information as to what is happening in emerging issues in aviation. He added that Phoenix is going to benefit as being one of the first six test sites. Mr. Shirer will be attending a meeting on April 23rd with the operators and the FAA to go into detail as to what the FAA wants the operators to see out of this system. He added he will keep the Commission informed of what comes out of the meeting.

E. Item 9 - Information
 Adopt-a-Road – Scottsdale Clean & Scenic

Mr. Gray advised the Commission that this item was provided to the Mayor and all board and commission members at the request of the Environmental Advisory Quality Board chairman. The item is being provided to this Commission to allow them to make their individual choices as to participation.

OLD BUSINESS

A. Item 10 – Action
 Consider Proposed Revision to the Airport Minimum Operating Standards – Section 7-10, Mobile Aircraft Washing Service.

Mr. Shirer advised the Commission that this item proposes further revisions to the Airport Minimum Operating Standards for aircraft washing. Previous revisions were approved at last month's meeting, however, in reading the changes, Mr. Shirer discovered it did not say what was intended, therefore, it is brought back to this meeting for corrections. Mr. Shirer stated he has spoken to two of the three aircraft washers and they had no problem with the proposed changes. He added it basically requires all commercial aircraft washing operators to submit a washing plan.

Commissioner Mack made a motion to approve the proposed revision to the Airport Minimum Operating Standards – Section 7-10, Mobile Washing Service. Vice Chairman Tinnan seconded the motion and it passed by a vote of 7-0.

NOISE ISSUES

A. Item 11 - Information
 March 2003 Noise Report

Mr. Shirer advised the Commission to note the Pilot Pledge draft that has been finalized and a significant number have been mailed out. Commissioner Osborne stated the report sent out with the Commission packet and the front page of the version on posted on the website have a few differences, primarily in the graphs. He would like to know which one is correct. Mr. Shirer responded that the Commission reviewed the type of noise report they would like to see and have limited their scope of complaint reporting to just those on the grid. However, the one posted on the internet website includes everything that we have, and the graphs are modified accordingly.

Commissioner Guilfoxy inquired if someone complained with a safety concern. Mr. Shirer responded that the caller believed there was a safety concern and that was the reason for their call.

B. Item 12 - Information
 Subcommittee on Noise Issues Update – Sub Committee Chairman Tinnan

Sub Committee Chairman Tinnan advised the Commission that the Subcommittee on Noise Issues has met three times as a committee and has met once with the City Council's Subcommittee on Aviation Issues. He added the committee is basically a work in progress and they are trying to provide the connecting link between the Commission and the City Council's subcommittee, which will meet again next Wednesday. Sub Committee Chairman Tinnan added that at this point in time the subcommittee and staff

have put together a Pilot/Community Outreach Program list which has about 18 different items being investigated to see how they may fit into the outreach program. He added the list is continually reviewed and he thinks it provides a great overview toward mitigating noise concerns. Sub Committee Chairman Tinnan advised a pre-Part 150 Study, flight tracking system acquisition was also discussed. He stated staff was going to pursue borrowing noise monitors with recording systems so they can be placed out in residential areas that have been the source of complaints.

Commissioner Vickers inquired if minutes are taken at the City Council subcommittee. Sub Committee Chairman Tinnan said he assumed they do, but he has not seen any. Mr. Gray affirmed they do take minutes at the City Council subcommittee.

OPERATIONS UPDATE

- A. Item 13 - Information
Review of Airport Operations

Mr. Chris Read stated a copy of the March Airport Operations Update was included in the Commission packets and he would be happy to answer questions regarding any of the items contained in the report.

Commissioner Guilfooy inquired about the Gulfstream low-pass item and asked what constitutes a low pass. Mr. Read responded the particular low pass was a Gulfstream IV and he did a low pass approximately 100 feet off the deck and continued on the pattern. He added the problem with the approach was he stayed relatively low well off the airport and that caused them concern and he was reported to the Flight Standards District Office who handles this type of activity.

Commissioner Vickers inquired about the aircraft reported upside down and do they know what caused that and why he didn't land at the airport. Mr. Read said he was not sure but did not think the aircraft, which was an open cockpit aircraft, was inverted. He thought the engine failure problem caused him to make some steep turns and may have given people the impression it was upside down, but it was not.

MEETING SCHEDULE

- A. Item 14 – Action
Meeting Schedule

Chairman Maxwell commented there were no changes to the regular meeting schedule, but a special meeting will be scheduled as discussed earlier in the meeting.

PUBLIC COMMENT

Chairman Maxwell advised the Commission he had a Citizen Comment Card submitted by Mr. Craig Morningstar. Mr. Morningstar gave a brief history of his work experience both at the airport and in the Valley. He stated he resides in the flight path over Tatum and Thunderbird Rd. He mentioned that AzSNAP has had eight events at this airport and brought over 900 business leader to the Airpark community to give them a better understanding of the economic vitality that is here. He stated he believes the Airport drives this area and he says it is unfortunate that the City Council does not realize that, and after being enlightened by the conversation this evening regarding the budget it appears the City is basically trying to stifle the growth of the Airport any way they can and that concerns him because this is an economic engine and it does employ 40,000 people. Mr. Morningstar stated any effect on this Airport, whether it is landing fees or anything else affects his business and it affects the 2500-3000 businesses that are around here. Mr. Morningstar stated businesses grow around an airport because it is easy to do business. He added if the City limits an executive's ability to do business here in this business community, they will go to the west Valley and every place else and the jobs and economic wealth will go along with them.

DIRECTOR'S REPORT

Mr. Gray mentioned the handouts provided. One of them a newspaper article about airport noise complaints dropping, and the other relative to Medical Express and their acquisition of a new turbo prop that they are trying to use during the quiet hours instead of their Lear 20 and that is a very positive letter. The other item is a letter from Mr. John Little to Mr. Gus Nezer at Phoenix TRACON expressing concerns about the radar and the problems in getting it upgraded to a point where it can be utilized. Mr. Nezer responded to Mr. Little stating they want to get it fixed as well and have spent about \$2.5 million trying to get the radar working, but have not been successful yet. Mr. Gray said the letter did not provide a timeline. Mr. Gray said they have not received more information about the new proposed radar at Central and Union Hills that was proposed to be installed in 2005 as a replacement. He added rumor has it has been pushed back to 2007. He added his contact in the FAA has expressed a desire to move up the new radar, rather than continue to struggle with this one.

ITEMS FROM THE COMMISSION

Chairman Maxwell stated he handed out information he was given by the FAA in reference to Commissioner Vickers actions. Chairman Maxwell stated he would just like to say that they are a Commission and he did not think that as Commissioners they have the right to go out and address the issues to the people directly or to embarrass or record their conversations without their permission. Chairman Maxwell stated the correct procedure for the Commission is to take whatever is they observe or their complaints and bring it to the staff, and then to the Commission. Chairman Maxwell expressed his desire that that would happen in the future.

Commissioner Vickers responded that he came to the Airport in search of a staff member in order to report the incident. There were no staff people available at the time and that is why he contacted the FAA directly. He added he is in the process of discovering documentation and evidence and once he has that in his possession he will report to the full City Council regarding safety issues at this Airport.

Chairman Maxwell responded that is not being a team player and reporting to the Commission. Commissioner Vickers replied he did not know what Chairman Maxwell was inferring but whatever the inference was it was out to lunch.

ADJOURNMENT

Commissioner Mack made a motion to adjourn. Commissioner Osborne seconded the motion and the meeting was adjourned at 8:10 p.m.

Respectfully submitted,

Diana M. Maggiola
Administrative Secretary.